

**City of Reading City Council  
Regular Business Meeting  
Monday, November 26, 2012**

Council President Francis G. Acosta called the meeting to order.

The invocation was given by Pastor Ramon Mendez, First Evangelical Church.

All present pledged to the flag.

**ATTENDANCE**

Council President Acosta  
Councilor Corcoran, District 1  
Councilor Goodman-Hinnershitz, District 2  
Councilor Sterner, District 3  
Councilor Marmarou, District 4  
Councilor Reed, District 5  
Councilor Waltman, District 6  
Managing Director C. Snyder  
City Auditor D. Cituk  
City Solicitor C. Younger  
City Clerk L. Kelleher  
Mayor V. Spencer

**PROCLAMATIONS AND PRESENTATIONS**

There were no proclamations or presentations issued at this meeting.

**PUBLIC COMMENT**

Council President Acosta announced that there is one citizen registered to address Council on agenda matters and one citizen registered to address non-agenda matters this evening. He inquired if any member of Council objected to suspending the rule requiring non-agenda comment at the end of the meeting. As no one objected the rule requiring non-agenda comment at the end of the meeting was suspended.

Council President Acosta reminded the citizens registered to speak about the remaining public speaking rules.

**Ernie Schlegel**, of Pear Street, expressed concern with the lack of rededicated property tax millage for library funding. He stated that he requested .02 of a mil. He stated that dedicated property tax millage would provide a consistent funding stream that would be used to support library operations. He stated that the Library Board has been covering the funding

gap with transfers from their reserve account; however, he stated that his year's transfer will be \$500,000. He noted that the reserve account transfers will no longer be available in 2014. He stated that the roof at the Main Branch is in need of replacement. He took issue with the lack of time dedicated to discuss the library's needs during the budget review process. He stated that the City is killing property owners with repeated property tax increases.

**Maryanne Ciarlone**, of North 5<sup>th</sup> Street, requested corrections to the Housing and Economic Development minutes. She expressed the belief that the Quality of Life report issued at a Committee session includes errors made by Property Maintenance Inspectors. She expressed belief in the Quality of Life Ticket program but noted the need for process corrections. She also expressed the belief that the CORE program is not a solution to the City's housing problems as there are vacant homes in the direct vicinity of the first CORE property at 737 N 4<sup>th</sup> Street. She noted that vacant properties are detrimental to other homes in the neighborhood.

## **APPROVAL OF THE AGENDA & MINUTES**

Council President Acosta called Council's attention to the minutes for the November 19<sup>th</sup> Regular Meeting of Council and the agenda for this meeting, including the legislation under the Consent agenda heading. Managing Director Snyder stated that the Administration would like to formally withdraw Bill 117 and 119-2012 from consideration.

**Councilor Sterner moved, seconded by Councilor Marmarou, to approve the minutes from the November 26<sup>th</sup> Regular Meeting and the agenda as amended, including the consent agenda legislation. The motion was approved unanimously.**

Council President Acosta stated that Council has agreed to take action on the Ordinances for Final Passage first, due to Councilor Marmarou's illness.

## **Consent Agenda**

**A. Resolution 128-2012** – promoting Paramedic Matthew Small to the rank of Lieutenant in the Reading Department of Fire and Rescue Services (**Fire**)

**B. Resolution 129-2012** - appointing Christian Zale as primary and Maria Kantner as alternate representatives on the Berks County Tax Collection Committee (TCC) (**Admin Services**)

## **ORDINANCES FOR FINAL PASSAGE**

**A. Bill No. 107-2012** - amending the City of Reading Codified Ordinances Chapter 1 Administration and Government, Section 186 G Fiscal Provisions - 4.0 Preparing Requests for Proposals (RFP's) for contracts greater than \$10,000 eliminating the Managing Director's ability to waive the RFP process for professional services (**Council Staff**) *Introduced at the October 22 regular meeting; Tabled at the 11-19 Mtg*

Councilor Goodman-Hinnershitz moved, seconded by Councilor Reed, to table Bill No. 107-2012.

Bill No. 107-2012 was tabled by the following vote:

Yeas: Corcoran, Goodman-Hinnershitz, Marmarou, Reed, Sterner, Waltman, Acosta,  
President -7

Nays: None -0

**B. Bill No. 108-2012** - amending the City of Reading Codified Ordinances Chapter 1 Administration and Government, Section 186 G Fiscal Provisions by reducing the amount of expenditures and allocations requiring Council's approval from \$25,000 to zero (\$0) (**Council Staff**) *Introduced at the October 22 regular meeting; Tabled at the 11-19 Mtg*

Councilor Goodman-Hinnershitz moved, seconded by Councilor Reed, to table Bill No. 108-2012.

Bill No. 108-2012 was tabled by the following vote:

Yeas: Corcoran, Goodman-Hinnershitz, Marmarou, Reed, Sterner, Waltman, Acosta,  
President -7

Nays: None -0

**C. Bill No. 114-2012** – 2013 General Fund Budget (**Managing Director**) *Introduced at the October 3 Special Meeting*

Councilor Corcoran moved, seconded by Councilor Reed, to enact Bill No. 114-2012.

Councilor Goodman-Hinnershitz noted the evolution of the budget since it was presented at the Special Meeting in October. She thanked all involved for their tireless work. She noted that although the budget was properly balanced, the budget still contains legacy pension costs that will need to be addressed by the State Legislators.

Councilor Reed thanked the Administration, Auditor, Council staff and Council members for the many long hours they put in to refine this budget. She stated that while she will support the enactment of the budget, she will not be supporting some of the related ordinances.

Bill No. 114-2012 was enacted by the following vote:

Yeas: Corcoran, Goodman-Hinnershitz, Marmarou, Reed, Sterner, Waltman, Acosta,  
President -7

Nays: None -0

**D. Bill No. 115-2012** - levying the Real Estate Taxes for the fiscal year beginning the first day of January, 2013, and ending the thirty-first day of December, 2013 (**Law**) *Introduced at the October 22 regular meeting*

**Councilor Corcoran moved, seconded by Councilor Sterner, to enact Bill No. 115-2012.**

Councilor Corcoran stated that he will vote to support this tax increase while holding his nose as it is a necessary evil. He expressed hope that the Administration can find alternative revenue resources and improve collections.

Councilor Reed stated that she will not vote to approve this ordinance due to the negative aggregate impact of the tax increases by the School District and the County. She noted her commitment to seek out alternative revenue sources over the upcoming year. She stated that she will be developing a list of discussion topics for the Finance Committee with the Administrative Services Director, Auditor and Committee members.

Councilor Waltman noted that the City has few revenue options available to support operations. He agreed that the property tax increase is painful but a necessary evil. He expressed his belief in the Administration's ability to improve services to tax payers with this tax increase. He commended PFM for rectifying the EIT gap in the Recovery Plan. He noted the need to review and amend the Plan in its entirety, which could increase Reading's ability to exit from Act 47.

**Bill No. 115-2012 was enacted by the following vote:**

**Yeas: Corcoran, Goodman-Hinnershitz, Marmarou, Sterner, Waltman - 5**

**Nays: Reed, Acosta, President - 2**

Councilor Marmarou left the meeting due to illness.

**E. Bill No. 116-2012** - establishing the employee positions for the City of Reading for the fiscal year 2013 (**Law**) *Introduced at the October 22 regular meeting*

**Councilor Reed moved, seconded by Councilor Goodman-Hinnershitz, to table Bill No. 116-2012.**

**Bill No. 116-2012 was NOT tabled by the following vote:**

**Yeas: Goodman-Hinnershitz, Reed - 2**

**Nays: Corcoran, Sterner, Waltman, Acosta, President - 4**

**Councilor Sterner moved, seconded by Councilor Corcoran, to enact Bill No. 116-2012.**

Councilor Goodman-Hinnershitz expressed concern with the number of positions included in the Mayor's Office. She questioned the inclusion of these positions in an "austerity" budget. She suggested that the Mayor seek alternatives to get his projects accomplished such as out-sourcing.

Councilor Waltman questioned Councilor Goodman-Hinnershitz's comment as he believed that the issue was settled in the Committee of the Whole meeting.

Councilor Reed agreed with Councilor Goodman-Hinnershitz's comments and she also suggested that the Mayor reduce the number of positions in his office. She stated that she will not support the enactment of the Position Ordinance due to the positions in the Mayor's Office.

Councilor Goodman-Hinnershitz stated that in the Committee of the Whole she agreed not to move to amend the Position Ordinance; however, she did not agree to support it.

**Bill No. 116-2012 was NOT enacted by the following vote:**

**Yeas: Sterner, Waltman, Acosta, President - 3**

**Nays: Corcoran, Goodman-Hinnershitz, Reed - 3**

**G. Bill No. 118-2012** – amending Chapter 24 Part 2B Home Rule Earned Income Tax Section 24-221 through Section 24-235 of the City of Reading Codified Ordinances. Section 24-221 through Section 24-235 shall provide for a tax of one and seven tenths percent (1.7%) on all earned income and net profits generated by residents of the City of Reading. This tax of one and seven tenths percent (1.7%) on all earned income and net profits generated by residents of the City of Reading shall be in addition to the tax collected under 24-201 et seq. of the City of Reading Codified Ordinances (**Law**) *Introduced at the October 22 regular meeting*

**Councilor Goodman-Hinnershitz moved, seconded by Councilor Reed, to enact Bill No. 118-2012.**

**Bill No. 118-2012 was enacted by the following vote:**

**Yeas: Corcoran, Goodman-Hinnershitz, Reed, Sterner, Waltman, Acosta, President - 6**

**Nays: None - 0**

**I. Bill No. 120-2012** – providing for a tax of up to a maximum of one and three tenths percent (1.3%) on all earned income and net profits generated in the City of Reading by non-residents of the City of Reading for 2013 (**Law**) *Introduced at the October 22 regular meeting*

Councilor Goodman-Hinnershitz moved, seconded by Councilor Reed, to enact Bill No. 120-2012.

Bill No. 120-2012 was enacted by the following vote:

Yeas: Corcoran, Goodman-Hinnershitz, Reed, Sterner, Waltman, Acosta, President - 6  
Nays: None - 0

## INTRODUCTION OF NEW ORDINANCES

Council President Acosta read the following ordinance into the record:

**A. Ordinance** - Amending the Codified Ordinances Chapter 10 Health and Safety by, Part 4, Certificate of Transfer, by redefining property to incorporate all real estate including a lot and providing a definition for a lot (**Law**)

### Pending Legislation

**Ordinance** – amending the Municipalities Financial Recovery Act Recovery Plan for the City of Reading, Berks County, Pennsylvania (as filed with the City Clerk on May 28, 2010, and enacted into law under Bill No. 26 of 2010 on June 11, 2010) (**Law**) *Introduced at the November 13 special meeting*

**Ordinance** – Reading Phillies Lease Extension (**Law**) *Introduced at the November 19 regular meeting*

**Ordinance** - amending the Code of Ordinances of the City of Reading, Berks County, Pennsylvania, Fee Schedule, to reflect new rates for Rental Housing Inspections (**Business Analyst/Council Staff**) *Introduced at the November 19 regular meeting*

**Ordinance** - amending the Code of Ordinances of the City of Reading, Berks County, Pennsylvania, Fee Schedule to reflect new Health Permit fees (**Business Analyst/Council Staff**) *Introduced at the November 19 regular meeting*

## RESOLUTIONS

There were no resolutions on the agenda.

## ADMINISTRATIVE REPORT

Mayor Spencer read the report distributed to Council on Monday afternoon. In summary:

- Report on Police Promotions and new hires
- Report that loose leaf collections will end on November 30<sup>th</sup>
- Report on his visit to the Riverside Elementary School

Councilor Goodman-Hinnershitz noted the water advisory in East Reading over the past weekend that required residents to boil water prior to consumption. She questioned the methods to communicate with residents during the advisory period. She asked the Administration to work with RAWA to improve their communication with residents.

## **AUDITOR'S REPORT**

City Auditor Cituk read the report distributed to Council at the meeting. In summary:

- Report on the 2012 Admissions Tax
- Report on the 2012 Real Estate Transfer Tax
- Budget Comment, as required by the Charter

City Auditor Cituk noted the exhaustive schedule to refine the originally proposed budget.

Councilor Sterner suggested that the City place the library tax question on an upcoming ballot to obtain the voter's position on the issue. He questioned if the Real Estate Transfer Tax revenue is underperforming due to the high rate charged.

City Auditor Cituk expressed the belief that the Real Estate Transfer Tax is underperforming due to the reduced sales process and the sluggish housing economy.

Council Corcoran agreed that the under performance of the Real Estate Transfer Tax is a mix of a bad housing economy and the low sales prices. He stated that the high Real Estate Transfer Tax rate is a deterrent but does not drive the poor performance of the Real Estate Transfer Tax. Council President Acosta agreed.

## **COUNCIL COMMENT**

Councilor Corcoran expressed the belief that the City is making positive steps in its housing strategy.

Councilor Sterner thanked those who provided public comment this evening. He suggested that Councilor Reed add library funding to the Finance Committee topic list. He also suggested considering a referendum question that would create a library tax.

Councilor Goodman-Hinnershitz expressed the belief that the budget is lean and mean. She agreed that alternative revenue resources are needed for the library and Pagoda. She suggested adding maintaining public property to the list of upcoming discussion topics. She noted the City's poor performance in maintaining its assets.

Mayor Spencer stated that he is exploring the repair of the Main Branch library roof. He took issue with the vote on the Position Ordinance and some Councilors pointing to the size of the

Mayor's staff. He questioned why the Mayor's Office staff has been a point of discussion since January.

Councilor Waltman announced the beginning of the Centre Park Christmas Tree sale on December 1<sup>st</sup> at the Artifacts Bank and the holiday house tour on December 9<sup>th</sup>. He also questioned the push against the Mayor's staff and noted that Council and the Administration need to work together.

Managing Director Snyder noted the work to modify the originally proposed budget. She agreed to continue to address various processes during 2013. She noted that while the City eliminated funding for a staff position for the Pagoda, the City still pays the Pagoda's utility bills, covers the maintenance expenses, etc.

Council President Acosta thanked all for their hard work on the 2013 budget. He stated that it is unfortunate that Councilor Marmarou's illness made it impossible for him to vote on the Position Ordinance. He agreed with the need to find alternative funding sources for the Library, Pagoda and other facilities. He described his experience donating Thanksgiving turkeys to the 5<sup>th</sup> grade students at Tyson Schoener Elementary School.

Council President Acosta announced the upcoming meeting schedule.

**Councilor Reed moved, seconded by Councilor Corcoran, to adjourn the regular meeting of Council.**

*Respectfully submitted by Linda A. Kelleher CMC, City Clerk*